

**In The Matter Of:**

*In Re: Vincent J. Fumo Irrevocable Children's Trust*

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*Vol. I*

*July 9, 2013*

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*John J. Kurz, CRR, Official Court Reporter  
City of Philadelphia  
First Judicial District Of Pennsylvania  
100 South Broad Street, 2nd Floor  
Philadelphia, PA 19110*

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**Min-U-Script® with Word Index**

**Exhibit**

**R**

1                   - JANE SCACCETTI - DIRECT -

2                   (Witness took the stand.)

3                   COURT CRIER: Please raise your right  
4                   hand.

5                                 - - -

6                   ... JANE SCACCETTI, after having been  
7                   first duly sworn, was examined and testified  
8                   as follows:

9                                 - - -

10                  COURT CRIER: Please state and spell  
11                  your name for the Court.

12                  THE WITNESS: My name is Jane  
13                  Scaccetti, S-C-A-C-C-E-T-T-I.

14                                 - - -

15                  DIRECT EXAMINATION

16                                 - - -

17       BY MR. FOSTER:

18       Q.       Ms. Scaccetti, good afternoon.

19                         Could you identify your relationship  
20       with the Settlor, Vincent J. Fumo?

21       A.       He's my ex-husband and the father of my  
22       daughter.

23       Q.       So you are the mother of Allison?

24       A.       Yes.

25       Q.       What do you do for a living?

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2       A.       I'm a CPA. I specialize in taxation.

3       Q.       There's been testimony today that a Trust and  
4       a Family Limited Partnership were created by your  
5       ex-husband on June 23, 2006. Was he your ex-husband  
6       by that time?

7       A.       Yes.

8       Q.       Were you speaking?

9       A.       Yes, in 2006, yes.

10      Q.       Did you have any discussions with Mr. Fumo  
11      about his purpose, why it was that he was creating  
12      the Trust and the Family Limited Partnership?

13      A.       Yeah. He -- the -- he anticipated that at  
14      some point he would sell Pennsylvania Savings Bank,  
15      which was his grandfather's bank. Fumo Savings and  
16      Loan it was originally. And he felt that the time  
17      was coming where small community banks would get  
18      gobbled up by bigger banks and he said that he  
19      wanted to set aside money for his children because  
20      it was a legacy from his grandfather.

21      Q.       Did you ever discuss with him, providing him  
22      with any assistance in the administration or  
23      finances of the Limited Partnership?

24      A.       In 2010, I was made aware, I think, from  
25      Vincent, that distributions had occurred and people

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2       were loosely using the terms FLP and Trust. And  
3       Vincent had turned 40 and he said that he was not --  
4       that the Trust document read that he could take his  
5       distributions. And Allie had told me that Vince had  
6       borrowed money from the Trust back in, I guess it  
7       was, late '09, before he went into prison. And I  
8       wrote to Vince and I asked him if they were honoring  
9       the distributions to be equal between the children;  
10      and, again, I did not really understand the  
11      structure, so I didn't know if it was the FLP or the  
12      Trust. I didn't have any visibility to what was  
13      being funded.

14                   And I said that -- I think in my  
15      letter I said something like if Vincent takes the  
16      cash and Allie gets the note, you've disenfranchised  
17      one partner versus the other. And Vince wrote back  
18      letters explaining how this worked.

19      Q.       Could you turn to the exhibit book?

20      A.       I have to get my papers.

21      Q.       They are in the book in front of you.

22      A.       Oh, okay. Got it.

23      Q.       If you turn to Tab 48, and Exhibit AF-48.

24      A.       Forty-eight?

25      Q.       Forty-eight.

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2                   MR. FUMO: There is no 48 tab, but  
3 they're there.

4                   THE WITNESS: Oh, I got it.

5 BY MR. FOSTER:

6 Q. Do you recognize the document that's been  
7 marked as Exhibit 48?

8 A. I do. Page 1 seems to be missing from it.

9 Q. Let me --

10                  THE COURT: Do you have any --

11                  THE WITNESS: It would be Page 1 from  
12 the October letter.

13                  THE COURT: Actually, I found -- the  
14 book that I have doesn't have it. We have a  
15 tab, but there's nothing here. But counsel  
16 has it in his book, so I guess it's in his.

17                  MR. FOSTER: I apologize, Your Honor,  
18 with the assembly of ten of these books.

19                  THE COURT: Does she have it in her  
20 book?

21                  MR. FOSTER: I have another book here  
22 with a complete set.

23                  THE COURT: Okay.

24                  MR. FOSTER: Is Your Honor missing  
25 the 48, 49 and --

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2                   THE COURT:   Okay.   Forty-eight.

3                   MR. FOSTER:   49 and 50 as well.

4                   THE COURT:   Yes.   Yeah.

5                   MR. FOSTER:   Because we have one.   We  
6                   have a set here.

7                   THE COURT:   You know what, I'll  
8                   switch books with you.

9                   Thank you.

10                  THE WITNESS:   I have two 49s.   I  
11                  don't know if you want to correct this later.

12                  THE COURT:   All right.   We're on 48.

13                  MR. FOSTER:   Okay.

14                  THE WITNESS:   Okay.

15   BY MR. FOSTER:

16   Q.       Do you recognize what we have marked as  
17   Exhibit 48?

18   A.       Yes.   It's a letter Vince sent to me that he  
19   has dated September 17th.   I probably got it shortly  
20   after that.

21   Q.       Do you recognize the handwriting as being the  
22   handwriting of your ex-husband?

23   A.       Yes.

24   Q.       Could you generally -- we're going to work our  
25   way through this, but could you just generally

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2       summarize the content and then we're going to deal  
3       with some specifics.

4       A.       It just started, we -- I had sent him some  
5       articles to read and he was saying what he enjoyed  
6       and what books he's read and we talked about Allie  
7       and the progress that she was making in school; and  
8       then he turned, on Page 2, as to her finances,  
9       here's what I understand. It's Page 2, two  
10      paragraphs from the bottom.

11      Q.       And could you read what is written here  
12      through the balance of the page?

13      A.       He says, "The FLP has two assets.  
14      Approximately 650,000 in cash, plus an approximate  
15      \$1.4 million loan to me for my fines and  
16      restitutions, secured by Green Street.

17                         "Vincent is truly trying to get me to  
18      get a loan from a bank for the 1.4 million so he can  
19      cash out of the FLP. But given the economy and my  
20      situation, this is not feasible and too costly. The  
21      best they were able to do was a 5" -- I think it  
22      says -- "four-eighths or seven-eighths interest-only  
23      loan with a \$32,000 placement fee. That won't work.  
24      If I'm going to pay interest, I might as well pay it  
25      to the FLP.

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2                   "Currently Vincent has already gotten  
3 about 370,000 in distributions, so Allie's Trust is  
4 entitled to a like amount. This could easily come  
5 from the approximately 650,000 in cash."

6 Q.       Let me stop you there.

7                   In September of 2010, did you have  
8 any understanding as to what the status was of the  
9 \$1.4 million loan from the partnership to your  
10 ex-husband?

11 A.       No. I just knew there was a loan. I don't  
12 think I had any clarity.

13 Q.       There's been testimony earlier today in the  
14 courtroom that there was a renegotiation of that  
15 loan around October of 2010. And my question for  
16 you specifically is: Did you know anything about  
17 what was going on with regard to any negotiations or  
18 modifications of the loan?

19 A.       No, nothing about modifications.

20                   The only time -- my best recollection  
21 that I found out any of that is in the letters Vince  
22 sent to me.

23 Q.       Now, I think he goes on to share his views as  
24 to how the finances should be organized.

25 A.       Yes. He says that "there could be another



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2       distribution of 125,000 to Vincent and another  
3       125,000 to Allie's Trust. This would leave some  
4       dollars for operating expense, et cetera." And then  
5       he says, "I am paying over 60,000 in interest a  
6       year, so there could be another..."

7       Q.       Is that annual distribution?

8       A.       "Annual" -- thank you -- "annual distributions  
9       of the after-tax dollars to Vincent and Allie's  
10       Trust." And then he goes -- do you want me --

11       Q.       Yes. I think there's some discussion on the  
12       next page and I think it's important for us to read  
13       into the record, given your ability to read his  
14       handwriting versus ours.

15       A.       He says, "Being in here is very difficult to  
16       get things done. I have to rely on 'snail mail' and  
17       others like Andy, so it takes forever. If you would  
18       be willing to help get" -- and quote, I'm quoting --  
19       "get shit done regarding these issues, I would  
20       greatly appreciate it. And it would help protect  
21       Allie's interests.

22                        "As to the million dollar policy" --  
23       there was a million dollar life policy that he had  
24       that he took out when I had Allie and I had asked if  
25       that was still intact. So he's responding to that

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2     request and he says, "As to the million dollar  
3     policy, I've sold it along with almost all of my  
4     investment real estate to pay legal bills," sad  
5     face.

6                   "I don't think this was irresponsible  
7     since I had set up and funded the FLP and Allie's  
8     Trust. As you know" --

9     Q.     Now, let me interrupt you there.

10                  Do I understand what your ex-husband  
11     is saying is that he had spent the money, the  
12     proceeds from a life insurance policy that he had  
13     bought for the benefit of his daughter, Allison, but  
14     he felt justified in doing so because he funded  
15     these Trusts?

16     A.     That's how I read it.

17     Q.     Okay.

18     A.     "As you know, I am broke and still take the  
19     possibility" -- "and still face" -- sorry -- "the  
20     possibility of more litigation regarding my" -- I'm  
21     sorry, something "et cetera." "Regarding my" -- I  
22     don't know what it says, unless somebody else does.

23                  MR. WEIR: "Sentence."

24     BY MR. FOSTER:

25     Q.     Would that be "sentence"?

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2       A.        "Sentence," yes, could be. "All I have  
3       basically left is my real estate which -- my real  
4       estate which is stuck in this economy," sad face.

5       Q.        Let me interrupt you there.

6                   This letter was being written -- or  
7       was written in September 17 of 2010. His reference  
8       to being broke, would that a fair characterization  
9       that that was a significant change in his financial  
10      circumstances from June of 2006 when he created the  
11      Trust and the Family Limited Partnership?

12      A.        According to him, yes.

13      Q.        And what about according to your knowledge of  
14      his finances?

15      A.        Well, he had tremendous legal fees that he was  
16      paying. He paid restitution. They were counted by  
17      the millions of dollars. I guess it's all relative,  
18      but that seemed like a lot of money.

19      Q.        But insofar as comparing his financial  
20      situation in September of 2010 to what it had been  
21      back in June of 2006, would it be a fair  
22      characterization that there had been a substantial  
23      change in his financial condition?

24      A.        Substantial. Clearly his earning capacity.  
25      He couldn't practice law. He was no longer a

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2       senator. He lost his retirement income.

3       Q.       Now, if you take a look at the final page of  
4       this exhibit, second to last paragraph, am I  
5       reading -- do I read this correctly: "Please write  
6       and let me know if you will help out with the FLP"?

7       A.       Correct.

8       Q.       And did you write?

9       A.       I think I did. I'm pretty certain I did,  
10       because there's another letter from him in October  
11       going over all of the facts.

12       Q.       Did you try to help?

13       A.       By the time I got the October letter and I had  
14       a little more information, because I didn't know  
15       what to help with at that stage.

16       Q.       Could you identify, for the record, what's  
17       been marked as Exhibit AF-49, under Tab 49 in this  
18       book?

19       A.       It's a letter to me from Vince dated  
20       October 24, 2010. Again, I probably received it a  
21       few days later.

22       Q.       Now, is there any discussion within this  
23       letter about the finances of the FLP with reference  
24       to Allie's Trust?

25       A.       By the way, he says opening that "thank you

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2       for my letter of October 15th," so I did write back  
3       to him.

4                   He does. He says in the third  
5       paragraph, "As to the FLP and Allie's Trust, I am  
6       still confused and not sure that my wishes are being  
7       carried out. This is why I asked you to get  
8       involved. Andy always says that everything is fine  
9       and under control and then I find out later that it  
10      is not. I am at his and many others' mercy in here,  
11      so I have to tread carefully. I never paid  
12      attention to the details of all this stuff when I  
13      was on the outside because I always had someone who  
14      was competent to take care of the details, but now  
15      it's different," sad face.

16      Q.       Let's then skip forward a couple of paragraphs  
17      to the paragraph on the next page that begins with  
18      "so I need you..."

19      A.       "So I need you to make sure that all of this  
20      is -- all the Is are dotted" -- sorry -- "so I need  
21      you to make sure that all of the Is are dotted and  
22      the Ts crossed, if you will."

23      Q.       And then skip -- the next paragraph I don't  
24      believe is particularly germane, but if you could  
25      then skip to the paragraph that begins "in short,

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2       however," could you read that?

3       A.     Yeah. "In short, however, this is what I want  
4       accomplished. The FLP has lent me about a million,  
5       four to pay off my fines and restitutions, which I  
6       have done. The terms were supposed to be  
7       interest-only payments at a little less than  
8       4 percent, whatever the legal" -- "legal percent is,  
9       for the first five years, and then the loan would be  
10      amortized over 25 years down -- over 25 years from  
11      that point. All payments going into the FLP."

12                   Second, "The loan is to be secured by  
13      a mortgage -- mortgages against Green Street and 108  
14      South Kenyon Avenue."

15      Q.     Now, this letter was on October 24, 2010?

16      A.     Right. And this is what he says he wants  
17      accomplished.

18      Q.     A mortgage on both properties?

19      A.     Correct.

20                   It says, "The loan is to be secured  
21      by a mortgage against Green Street and 108 South  
22      Kenyon Avenue."

23                   Third point, "The Green Street  
24      mortgage is to be subordinate to a \$250,000 note,  
25      also secured by Green Street from me to Carolyn.

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2       This is for the almost 260,000 that she put up to  
3       pay off the -- something of the Estate of Steve  
4       Marcus that was in first position."

5       Q.       Now, I think the others are details with  
6       regard to the terms of the note and the loan, and  
7       we've heard a lot of discussion about that already.  
8       I do want to focus on, just moving along, focus on  
9       the next page, Page 4.

10      A.       Page 4, he wrote at the top, "Note: My goal  
11      is to become as judgment-proof as possible. I want  
12      to, quote, "own nothing but control everything," end  
13      quote, happy face.

14      Q.       Could you read the next paragraph?

15      A.       "I never want to be this vulnerable to the  
16      government or any conditions again in my life."

17      Q.       Is that "creditors" or "conditions"?

18      A.       Oh, creditors. Sorry. Thank you. It's  
19      "creditors." "Again in my life. These fines and  
20      restitutions were a grossly unfair outrage," sad  
21      face.

22      Q.       Paragraph 6, what does he say there?

23      A.       "There was supposed to be about \$650,000 in  
24      cash in the FLP. This is to be divided equally  
25      among the shareholders, Allie, Vincent and me. But

1                   - JANE SCACCETTI - DIRECT -  
2   my share is only .6 percent or so. The rest is  
3   split evenly between Vincent and Allie's Trust."

4                   Paragraph 7 says, "Vincent has  
5   already received a distribution of about 630,000 of  
6   the 650,000. Allie's Trust to receive an equal  
7   amount first, then the balance is to be distributed  
8   proportionately. Plus I wanted to keep about 50,000  
9   to 25,000 in cash in the FLP for expenses and cash  
10  flow."

11   Q.     Did he -- and I think that concludes what we  
12   need to cover with regard to this letter, but did  
13   you receive another letter from your ex-husband on  
14   the same day?

15   A.     Well, what it says is, if you look at that  
16   letter we were just reading from, he says that he'd  
17   rather I not show this to Andy so that he would give  
18   me another letter that I could show to Andy that  
19   would give authority to ask the questions.

20   Q.     And what you were just referring to is  
21   actually the last paragraph of Exhibit 49.

22   A.     Well, actually, second to the last paragraph,  
23   because there's a little PS.

24   Q.     Okay. Now -- and is Exhibit AF-50, under Tab  
25   50, that "sanitized" letter that he's referring to?



1                               - JANE SCACCETTI - DIRECT -

2       A.       Yes.

3       Q.       Have you ever had any communications or  
4       contact with either Rosanne Pauciello or Sam Bennett  
5       on any matter involving either the Trust or the  
6       Family Limited Partnership?

7       A.       No.

8       Q.       Do you know Mitchell Rubin?

9       A.       I do.

10      Q.       Have you ever had any communications with  
11      Mitchell Rubin about any matter involving either the  
12      Trust or the Family Limited Partnership?

13      A.       Yes.

14      Q.       Could you -- and what was the nature of that  
15      communication? Starting with when.

16      A.       So it was in the fall of 2011 -- and I had  
17      double-knee replacement surgery in November of 2011,  
18      so it's before that -- I received a phone call from  
19      Mitchell and Mitchell said that Rosanne Pauciello  
20      was the Trustee for Allie's Trust and that to the  
21      best of his knowledge, nothing had ever been done on  
22      behalf of Allie's Trust. He said that he thought  
23      that Allie was a good kid and that someone should be  
24      looking out for her interests and that he was the  
25      Successor Trustee and that he would be refusing that